

# **STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**

## **PUBLIC FINANCE MANAGEMENT BOARD**

### **Rules and Regulations**

#### **1. CREATION.**

The Public Finance Management Board (the “Board”) is established under the provisions of Section 42-10.1-1 of the Rhode Island General Laws, as enacted by Chapter 477 of the Public Laws of 1986, effective June 25, 1986.

#### **2. PURPOSE.**

The purposes and responsibilities of the Board are:

- (a) To allocate tax-exempt bond issuance capacity among all bond issuers in the State of Rhode Island.
- (b) To advise and assist all state departments, authorities, agencies, boards, commissions, and public and quasi-public corporations having authority to issue revenue or general obligation bonds or notes with respect to issuance of and financial planning related to all such bonds and notes.
- (c) Upon request, to advise and/or assist any city or town and any municipal or regional agency, authority, board, commission, or public or quasi-public corporation having authority to issue revenue or general obligation bonds or notes with respect to the issuance and financial planning related to such bonds and notes.
- (d) To collect, maintain, and provide information on state, municipal and public or quasi-public corporation debt authorization, sold and outstanding, and serve as a statistical center for all state and municipal debt issues.
- (e) To maintain contact with state, municipal and public or quasi-public corporation bond issuers, underwriters, credit rating agencies, investors, and others to improve the market for state and local government debt issues.
- (f) To undertake or commission studies on methods to reduce the costs and improve credit ratings of state and local debt issues.
- (g) To recommend changes in state laws and local practices to improve the sale and servicing of state and local debts.

3. MEMBERSHIP.

The Board shall consist of nine (9) members, comprised as follows:

- (a) The General Treasurer, or his or her designee;
- (b) One (1) representative of the Department of Administration who shall be appointed by the Governor;
- (c) Two (2) representatives of cities and towns who shall be appointed by the General Treasurer from a list of five candidates submitted by the League of Cities and Towns;
- (d) One (1) member of the General public who is experienced in the issuance and sale of bonds by public agencies and who shall be appointed by the Governor;
- (e) Two (2) members of the House of Representatives, one of whom shall be from the minority party, who shall be appointed by the Speaker; and
- (f) Two (2) members of the Senate, one of whom shall be from the minority party, who shall be appointed by the Majority Leader of the Senate.

4. OFFICERS.

- (a) The General Treasurer, or his or her designee, shall serve as Chairperson and shall preside at meetings of the Board.
- (b) The Board shall annually elect, by majority vote, one of its members as Vice-Chairperson and one of its members as Secretary.
- (c) The Board may elect such additional officers or assistant officers as it shall, from time to time, deem appropriate.
- (d) The Chairperson of the Board shall designate the chair of any committee which may be created by the Board.

5. MEETINGS.

- (a) The Board shall meet on the call of the Chairperson, at the request of the Governor, at the request of a majority of the members of the Board, and/or upon a regular schedule established by the Board.
- (b) The Chairperson or other person(s) requesting a meeting shall give reasonable notice thereof to all members of the Board.
- (c) A record of all business transacted at each meeting shall be kept and shall be certified by the Secretary or the Chairperson.
- (d) All meetings shall be conducted pursuant to the provisions of Chapter 42-46 of the Rhode Island General Laws.

6. QUORUM/MAJORITY.

- (a) A majority of all non-legislative members of the Board shall constitute a quorum for the transaction of business.
- (b) At any meeting, a majority vote of all members of the Board shall be required for the election of officers and the enactment, material modification or repeal of any allocation or rule.
- (c) At any meeting, a majority of those members present shall be sufficient to enact any other business.

7. DEBT CEILINGS.

The Board shall, as soon as it is practicable after the effective date of these rules and thereafter in January of each calendar year, determine and announce the State tax-exempt bond issuance capacity for that calendar year as provided under the provisions of Section 103(n) of the Internal Revenue Code.

8. ALLOCATION.

- (a) For the calendar year 1986, the Board shall have, prior to or coincident with the enactment of these rules, enacted a 1986 Allocation Resolution, establishing the general allocation of tax-exempt bond issuance capacity.
- (b) For each subsequent calendar year, the Board shall enact, after notice and opportunity for hearing thereon, an Allocation Resolution establishing a general allocation of tax-exempt bond issuance capacity among bond issuers in the State of Rhode Island.
- (c) Any allocation enacted by the Board may contain such conditions, as the Board may deem appropriate.
- (d) Any general allocation may provide for a reserve allocation to the Board of amounts within the State tax-exempt debt issuance capacity not otherwise allocated to bond issuers.
- (e) The Board may subsequently, after hearing and at its discretion, allocate part or all of such reserve amounts upon application(s) of bond issuer(s).
- (f) Any allocation made by the Board shall be irrevocable upon issuance of bonds pursuant thereto at least to the extent of the principal amount of such bonds so issued.
- (g) Except as provided in (f), above, upon request by any bond issuer, or upon its own initiative, the Board may at any time, after hearing, modify, amend or repeal any allocation.

9. REPORTING REQUIREMENTS.

- (a) Each state, municipal and regional department, authority, agency, board, commission, and public or quasi-public corporation having authority to issue revenue or general obligation bonds or notes shall, no later than thirty (30) days prior to the sale of any such debt issue at public or private sale, give written notice of the proposed sale to the Board. Said notice shall be made on a form approved by the Board and shall contain all of the information requested on said form.
- (b) Each such issuer shall, within thirty (30) days after such sale, submit to the Board a report of sale on a form approved by the Board and the report shall contain all of the information requested on said form.

10. FEES.

- (i) The lead underwriter or purchaser of any tax exempt debt issue of the state, all state departments, authorities, agencies, boards, commissions and public or quasi-public commissions, shall pay to the Public Finance Management Board an amount equal to one-fortieth of one percent (1/40%) of the issued principal amount of the issue; *provided, however*, that any tax exempt debt issue that would be classified as a refinancing of a note by the issuance of additional note(s) or bonds, or current or advance refunding of bonds shall receive a credit against the above assessment in an amount equal to the fee assessed to, and paid in connection with, the issuance of the initial underlying debt obligation that is being refinanced or refunded up to, but not exceeding, the fee assessed.
- (ii) The lead underwriter or purchaser of any taxable or tax exempt debt issue of the state, any city or town and any state, municipal or regional agency, authority, board, commission or public or quasi-public corporation, which has requested the advice and/or assistance of the Board with respect to such issue, shall pay to the Public Financial Management Board an amount equal to one-fortieth of one percent (1/40%) of the issued principal amount of the issue.
- (b) Amounts received under this Section shall be deposited in the Public Finance Management Board Fund (the "Fund") in the State Treasury.
- (c) The General Treasurer is authorized to draw upon the Fund, in accordance with applicable rules and procedures, to pay for the expenses incurred by the Board and by the General Treasurer's Office in carrying out the purposes of Chapter 42-10.1 of the Rhode Island General Laws.

11. SUPPORT SERVICES.

The Board may employ such staff, contract for such services and incur such expenses, as it may deem necessary and appropriate to carry out the purposes of Chapter 42-10.1 of the Rhode Island General Laws.

12. OPEN RECORDS.

All records of the Board shall be subject to public access pursuant to the provisions of Chapter 38-2 of the Rhode Island General Laws.

13. AMENDMENTS.

- (a) Any interested person may petition the Board requesting the enactment, amendment or repeal of any rule.
- (b) Whether the petition requests the enactment of a rule, the proposed rule must be set out in full. The petition must also include all the reasons for the proposed rule together with briefs of any applicable law. Where no petition requests the amendment or repeal of a rule presently in effect, the rule or portion of the rule in question must be set out as well as a suggested amended form, if any. The petition must include all reasons for the requested amendment or repeal of the rule.
- (c) All petitions shall be considered by the Board and the Board may, at its discretion, order a hearing for the further consideration and discussion of the requested enactment, amendment or repeal of any rule.